



The President's Daily Brief

9 August 1971

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

9 August 1971

PRINCIPAL DEVELOPMENTS

India

Pakistan

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Government forces are continuing to make slow progress in both north and south Laos. (Page 3)

In South Vietnam, the Communist "summer campaign" has failed to materialize but signs persist that enemy action will pick up in the northern provinces soon. (Page 4)

The Organization of Petroleum Exporting Countries will seek direct "participation" in Western oil companies. (Page 5)

Soviets

(Page 6)

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Mintoff wants \$5 million by Thursday or British troops will be ousted from Malta. (Page 6)

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Cypriot

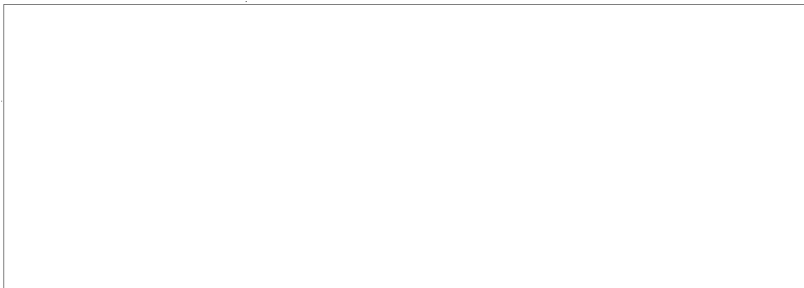
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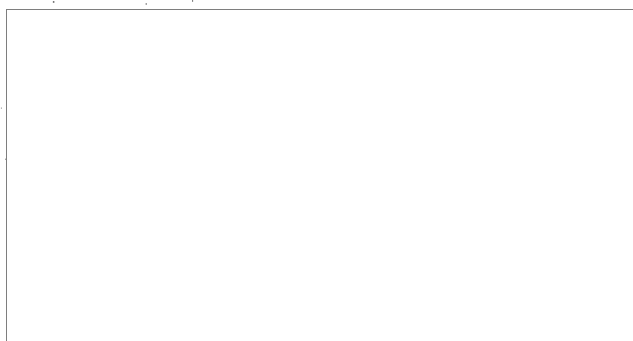
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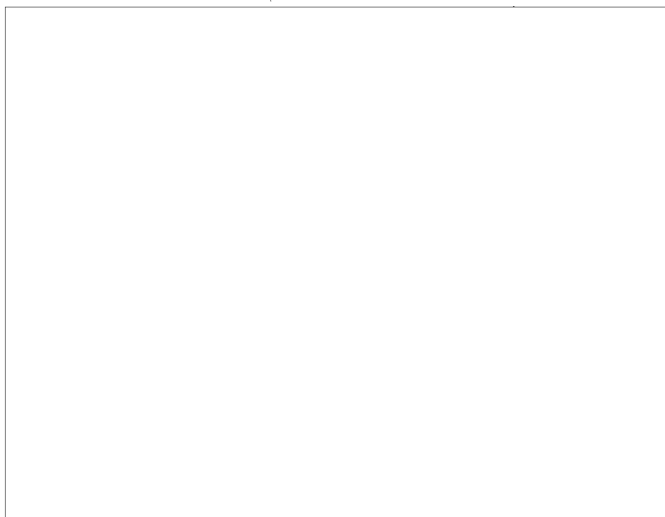
INDIA-PAKISTAN-USSR



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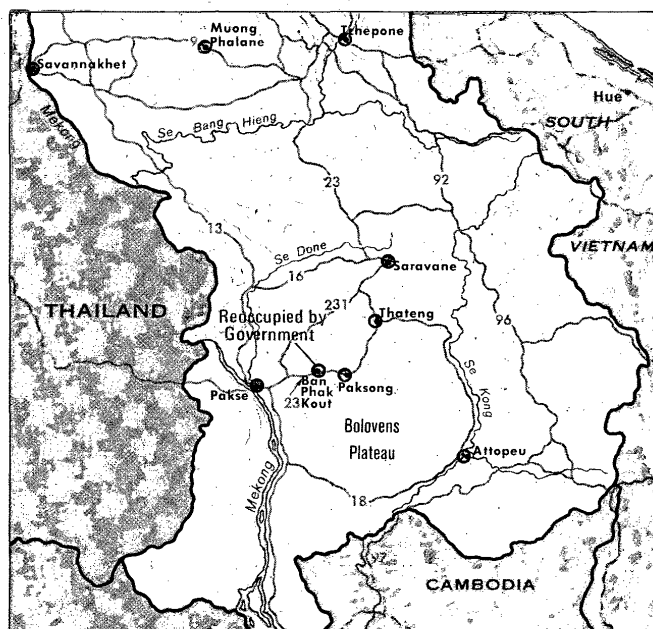
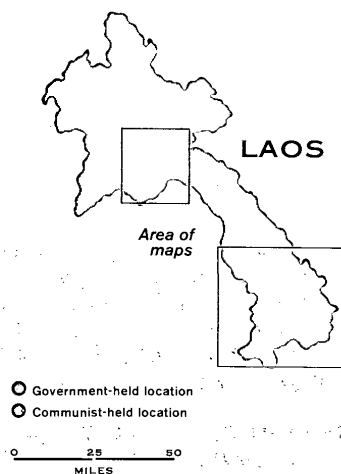
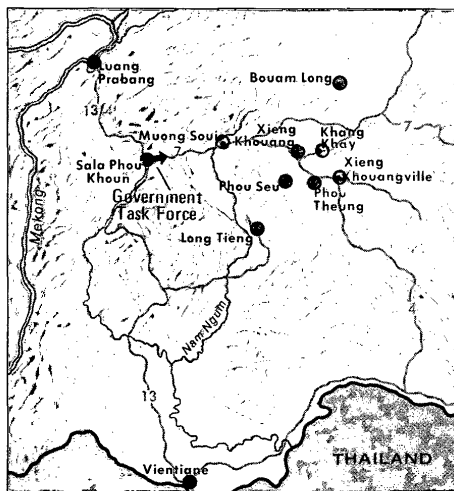
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LAOS

Vang Pao's irregular forces on the Plaine des Jarres have reported some heavy enemy shelling attacks and skirmishing, but they are continuing to consolidate their positions around the eastern portion of the Plaine. To the northwest a three-battalion government task force has begun to move eastward along Route 7 toward Muong Soui, which appears to be only lightly defended by the Communists.

In south Laos, government forces have occupied Ban Phak Kout on Route 23 about six miles west of Paksong. Stiff enemy resistance has repulsed efforts to move on toward Paksong, and air observers report "many" new enemy positions around that town. Government forces conducting sweep operations west of Saravane captured a rice and ammunition cache after driving off an enemy company. Intercepted messages indicate that elements of the 46th NVA Battalion are continuing their reconnaissance activities in the area in preparation for attacks.

On the political scene, Souk Vongsak, the Pathet Lao envoy in Vientiane, has returned to Communist headquarters at Samneua for "consultations" after delivering a message from Lao Communist leader Souphanouvong. The message reiterates the Communists' desire to solve the Lao problem peacefully, but vows to continue fighting until government attacks on the Plaine and in south Laos are "smashed."

In a meeting of the Lao cabinet Souvanna characterized the message as containing "nothing but threats." He did not, however, appear to attach great importance to Souk's departure, giving the impression that he, too, is prepared to await military developments before trying again to arrange peace talks.

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SOUTH VIETNAM

Intercepts indicate that Communist commanders continue to prepare for heavier fighting. Elements of the North Vietnamese 52nd Regiment are now ready to begin attacks near Fire Support Base Sarge in north-central Quang Tri Province. In northeastern Quang Tri, the North Vietnamese 31st Regiment has begun reconnaissance activities in preparation for "daytime attacks and nighttime ambushes." Communications of the North Vietnamese 84th Artillery Regiment also reflect continuing preparations in the same area.

Communist combat preparations appear even more advanced just south of the DMZ. A 200-round mortar bombardment of a South Vietnamese field position near Fire Support Base Fuller on 5 August and several smaller shellings nearby over the weekend may have signaled the opening round of action there. To the south, along the coastal regions of the northern provinces, most evidence suggests that a new effort will be launched in mid-August.

In The President's Daily Brief of 14 July we pointed to indications that a Communist "summer campaign" would soon be launched. Since then there have been signs that the enemy has experienced delays in getting the campaign under way. Unseasonably heavy rains in the DMZ area--where the enemy threat is currently strongest--may have disrupted planned attacks. Supply difficulties have forced enemy units in the western highlands and the central provinces to lie low, as have monsoon rains and South Vietnamese operations elsewhere. Nevertheless, evidence of continuing preparations strongly suggests that the Communists still intend to go ahead with a period of more intensive fighting.

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INTERNATIONAL OIL

The Organization of Petroleum Exporting Countries (OPEC) has set a new goal of obtaining direct "participation" in Western oil companies. OPEC will meet in a special session late this month to discuss various plans--most of them calling for a 20 percent equity in oil company operations.

Not content with five-year agreements reached earlier this year with the companies providing for increased revenues, OPEC member governments have begun exploring how they can share not only in oil production but also in transport, refinery, and marketing operations as well.

Bilateral discussions between the eleven OPEC member countries and Western companies are likely to begin soon. Wide differences in operating conditions and varying complications in agreements between governments and companies will require extensive discussions, however, before a plan acceptable even to OPEC members can be developed.

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NOTES

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Malta: Mintoff has told acting NATO Secretary General Kastl that Malta is faced with an urgent need for interim funds and wants NATO to provide \$5 million with "no strings attached" to meet current expenses. He warned that if this aid is not available by Thursday, he will order British forces to leave the following morning. Kastl, who is convinced of the seriousness of Valletta's economic difficulties, planned to call a special North Atlantic Council meeting to discuss the situation.

Cyprus-UN:

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